



**STATEMENT OF PROCEEDINGS FOR THE  
REGULAR MEETING OF THE COMMISSION ON INSURANCE  
OF THE COUNTY OF LOS ANGELES HELD IN ROOM 374A  
OF THE KENNETH HAHN HALL OF ADMINISTRATION**

**500 WEST TEMPLE STREET, LOS ANGELES, CALIFORNIA 90012**

**Thursday, December 9, 2010**

**10:00 AM**

Present: Commissioner Nash, Chairman Svonkin, Commissioner Binder,  
Commissioner Blake, Commissioner Brown J.D. and  
Commissioner Lohr

Absent: Vice Chair Falcon, Commissioner Callagy, Commissioner Torres  
and Commissioner Vicencia

**1. Call to Order**

**The meeting was called to order by Chairman Svonkin at 10:15 a.m.**

**2. Pledge of Allegiance**

**Pledge of Allegiance was led by Chairman Svonkin.**

**I. ADMINISTRATIVE MATTER**

**3. Approval of the Minutes from the meeting of July 8, 2010. (10-2830)**

**On motion of Commissioner Binder, seconded by Commissioner Nash, the  
Minutes of July 8, 2010 were approved.**

**Attachments:** [SUPPORTING DOCUMENT](#)

**4. Recommendation to receive and file the Chairman's Report of Activities from the  
Month of August through December 2010. (10-2834)**

**By Common Consent, Chairman Svonkin moved to receive and file the  
Chairman's Report.**

5. Recommendation to receive and file the Staff Report of Activities from the Month of August through December 2010. (10-2849)

**Staff reported the following: On September 30, 2010 and October 1, 2010, invitation letters were sent to Anthem Blue Cross, Aetna and Health Net of California to attend the Commission's December 9, 2010 meeting, with no response. A congratulatory letter was sent to Dave Jones as State Insurance Commissioner-Elect, included in the letter was an invitation for him to attend the February 10, 2011 Insurance Commission meeting. Letters are drafted to send to Governor-Elect Jerry Brown and other elected officials. Commissioner Vicencia was re-appointed to the Commission on Insurance by Supervisor Knabe.**

## **II. DISCUSSIONS**

6. Discussion to recommend to the Board of Supervisors proposed legislation to end life insurance rescissions. (10-2848)

**Chairman Svonkin, discussed the article in Los Angeles Times "Flaws Can Cancel Life Insurance - After Death", stating if a policy is less than two years old, companies may dispute the claim, and thousands were denied the benefits last year. Following discussion, Chairman Svonkin proposed if an application is incomplete and the applicant failed to disclose a condition but dies from an unrelated condition, then the insurance company is prohibited from canceling the life insurance policy and must honor the policy by paying the benefit.**

**On motion of Commissioner Brown, seconded by Commissioner Blake, the Commission agreed to send a memo to the Board of Supervisors recommending support of legislation to protect consumers in Los Angeles County from life insurance rescission. Legislation to change California law to reflect, rescission cannot occur unless omission of a health condition on the application was directly related to the cause of death.**

**Ayes: 5 - Commissioner Nash, Chairman Svonkin, Commissioner Blake, Commissioner Brown J.D. and Commissioner Lohr**

**Noes: 1 - Commissioner Binder**

**Absent: 4 - Vice Chair Falcon, Commissioner Callagy, Commissioner Torres and Commissioner Vicencia**

**III. PRESENTATIONS**

7. Presentation by Laurie Milhiser, Assistant Chief Executive Officer, Risk Management Branch update on her transition and goals as the new County Risk Manager. (10-2836)

**Ms. Milhiser, Assistant Chief Executive Officer, Risk Manager holds a Master of Arts degree in Public Administration/Public Finance, a Bachelor of Arts degree in Business Administration/Accounting and an Associate in Risk Management as well as an Associate in Risk Management - Public Entities designation. She formerly served as the Director of the Risk Management Department for the County of San Bernardino.**

**Ms. Milhiser plans to lead the County's efforts to increase safety, enhance loss control and prevention programs, provide leadership on workers' compensation and regulatory compliance, work with departments to improve Corrective Action Plans and develop an updated strategic plan for Risk Management. The effort includes controlling loss frequency and return the work program. Ms. Milhiser's short term goals is to go "back to basics" and take action sooner rather than later. The mid-range goal is providing accurate data to the departments and the long-range goal is to work on financing risks and with incentive to create greater participation from individual departments.**

**Attachments:**    [SUPPORTING DOCUMENT](#)

**IV. REPORTS**

8. Recommendation to approve the Subcommittee on Fraud's survey to the Los Angeles County Board of Supervisors. (10-2835)

**Commissioner Brown reported the four main goals discussed during the Subcommittee on Fraud Meeting (copy on file).**

**To establish procedures and develop actions that can be taken by the County of Los Angeles or the State of California to detect and eliminate fraud. Establish an agency to audit/examine health care insurance industry practices as well as health care providers.**

**Establish a protocol for the consumer to sign off on medical bills to verify that the services billed were actually performed. Determine the cost effectiveness of the protocol.**

**Establish procedures and means to educate the consumer about what constitutes fraud and the repercussions of being a party to fraud.**

**Examine, within the stated purview of the subcommittee, fraud and how it causes instability in a business, whether the provider or the insurance company. Determine the effect fraud has on the consumer, community and availability of insurance.**

**On motion of Commissioner Brown, seconded by Commissioner Binder, the commission approved the Subcommittee on Fraud's survey to be distributed to deputies of the Los Angeles County Board of Supervisors.**

**Ayes:** 6 - Commissioner Nash, Chairman Svonkin,  
Commissioner Binder, Commissioner Blake,  
Commissioner Brown J.D. and Commissioner Lohr

**Absent:** 4 - Vice Chair Falcon, Commissioner Callagy,  
Commissioner Torres and Commissioner Vicencia

**Attachments:** [SUPPORTING DOCUMENT](#)

**V. MISCELLANEOUS**

9. Public Comment

**There were no members of the public present to address the Commission.**

10. Matters not on the Posted Agenda (To be placed on the agenda for discussion at a future meeting)

**There were no matters presented for a future agenda.**

11. Adjournment

**The meeting was adjourned at 11:21 a.m. The next meeting of the Insurance Commission is scheduled for February 10, 2010.**